

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 707 - SB 903

March 8, 2013

SUMMARY OF BILL: Eliminates the requirement that counties pay for the cost of forensic mental health evaluation and treatment of a defendant who is charged with a misdemeanor. The evaluation and treatment are provided by a community mental health center, a licensed private practitioner designated by the Commissioner of Mental Health and Substance Abuse Services (MHSAS), or a state-supported hospital designated by the Commissioner of MHSAS. The requirements that the defendant pay all or part of the costs and expenses of the evaluation and treatment and that any inpatient evaluation be completed within 30 days of admission to a facility are also eliminated.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – Exceeds \$1,217,100

Increase State Expenditures – Exceeds \$1,481,300

Decrease Local Expenditures - Exceeds \$1,481,300

Assumptions:

- Under current law, counties are responsible for the costs of forensic evaluations and treatment of criminal defendants charged only with a misdemeanor offense and for reimbursing the state for the contracted costs of outpatient evaluations performed by community providers. Prior to the enactment of Chapter 531 of the Tennessee Public Acts of 2009, MHSAS was responsible for the costs of the forensic evaluations and treatments. It is assumed that if the bill is enacted, MHSAS will resume responsibility for these costs.
- There will be a shift in expenditures from local government to the state to cover the costs of forensic evaluations and treatment of defendants charged with a misdemeanor offense. Any increase in state expenditures will result in an equal decrease in local expenditures.
- According to MHSAS, the cost for inpatient evaluations at the regional mental health institutes (RMHIs) is based on per diem rates pursuant to Tenn. Code Ann. § 33-2-1101. Counties can enter into cooperative agreements with the state to reimburse the state for inpatient forensic evaluations of defendants charged only with a misdemeanor at a rate which is lower than the full costs of services.

- Total billings to the counties for these evaluations were \$1,026,900 in FY09-10, \$918,400 in FY10-11, and \$1,706,000 in FY11-12. The state will no longer be reimbursed by the counties resulting in a recurring increase in state expenditures and recurring decrease in local government expenditures estimated to be \$1,217,100 $[(\$1,026,900 + \$918,400 + \$1,706,000)/3]$.
- According to MHSAS, over the past three fiscal years an average of 450 forensic outpatient evaluations have been conducted each year at the community mental health agencies that contract with the state. The state will pay for these costs instead of the counties resulting in a recurring increase in state expenditures and a recurring decrease in local government expenditures. These evaluations resulted in costs of \$264,300 in FY09-10, \$255,300 in FY10-11, and \$273,000 in FY11-12. The resulting recurring increase in state expenditures and recurring decrease in local government expenditures is estimated to be \$264,200 $[(\$264,300 + \$255,300 + \$273,000)/3]$.
- The total recurring increase in state expenditures and the total recurring decrease in local government expenditures is estimated to be \$1,481,300 $(\$1,217,100 + \$264,200)$.
- These costs will fluctuate from year to year depending on the number of defendants who are charged with a misdemeanor and are ordered to undergo a mental health capacity evaluation. The amount of fluctuation is unknown, but it is reasonably assumed that the average recurring increase in state expenditures, and the average recurring decrease in local government expenditures, will be \$1,481,300.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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